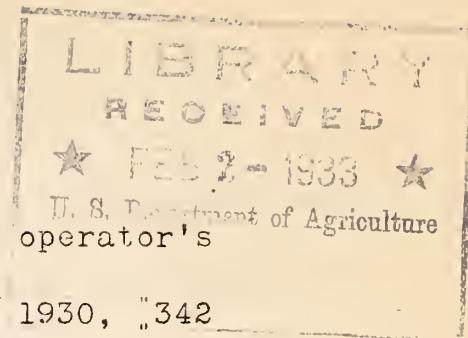


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Farm Family Living 1/



The balance of farm income left as a return for the operator's capital, labor, and management averaged \$847 in 1929, \$566 in 1930, \$342 in 1931, and undoubtedly declined to a still lower level in 1932. There has been considerable variation in the changes in net farm income in different parts of the United States.

Gross income from agriculture declined from \$11,950,000,000 in 1929, to \$6,955,000,000 in 1931, and to about \$5,240,000,000 in 1932. The decrease from 1931 to 1932 amounted to 25 per cent. These figures relate to income from farm production each year, including the value of products sold plus the value of products retained for use in the farm home. Reductions in expenditure for the farm business in 1932 were not as great as reductions in gross income, and hence net income from farming was more than 25 per cent lower in 1932 than in 1931.

Farm income for 1933, assuming approximately normal crop conditions and some improvement in business, is not likely to be materially different from what it was in 1932. This estimate does not of course take into account any change which might be brought about by legislation.

Incomes received by farm families from industries other than agriculture have likewise been greatly reduced. Eleven per cent of the men and boys and 37 per cent of the women and girls living on farms and reporting gainful occupations were engaged in industries other than agriculture in April, 1930. (Homemaking is not included among the gainful occupations by the Bureau of the Census, but is treated separately in Census reports.) The earnings of the large number of persons living on farms and receiving incomes from other industries at that time were large enough in

1/ Report of a joint committee from the Bureau of Home Economics, the Bureau of Agricultural Economics and the Extension Service.

certain regions, especially in New England and the Middle Atlantic States, to provide an important supplement to family income when pooled with money income available from the farm.

Opportunities for such earnings have greatly decreased since the early months of 1930 in view of the general reduction in industrial employment and wages. It would appear that in most sections of the United States persons living on farms will probably not earn enough in industries other than agriculture in 1933, to change materially the economic status of their families, unless there is a marked revival in business activity in the near future.

The effort of farm families to increase their cash incomes through increasing production of food and textile products in forms immediately available for consumer use to be sold at roadside stands and through farm women's marketing organizations and other agencies will undoubtedly continue throughout the coming year. The use of different forms of barter to increase real income is reported from many sections of the country, and is likely to continue.

Retail prices paid by farmers for commodities bought for family maintenance continued to decline in 1932. The index dropped from 121 per cent of the 1910-1914 average in December, 1931, to approximately 107 per cent in December, 1932. All groups of commodities declined, the greatest decreases occurring in prices for furniture and clothing and the least in prices for fuel for the house and for the automobile. The decline during the latter half of 1932, however, was much less than during similar periods of the last two years. Wholesale prices also showed greater stability during the last half of 1932 than in the preceding two years. From June, 1932 until the middle of August the wholesale price index for food advanced from 91 per



cent of the 1910-1914 average to 97 per cent. Declines in wholesale food prices since that time have been irregular and somewhat less than the seasonal declines usual at this time of year. Wholesale prices of hides and leather, textiles, and fuel and light have changed but slightly during the last six months, with prices for the last week in December slightly lower than in June. Wholesale prices of house-furnishing goods have been practically stable since August and prices of building materials have remained unchanged since September. These tendencies do not seem to indicate any marked decline in retail country prices from present levels in the near future, although some further recession is possible.

The course of the agricultural depression has brought about a decrease in the proportion of the family food supply purchased, as well as pronounced decreases in expenditures for house-furnishings and equipment, for clothing, for operation of the automobile, and for recreation. The small expenditures of many families for medical care probably mean inadequate protection from disease except in sections of the country where community medical facilities are available.

Recent studies of farm family living among groups with low money incomes show that from 26 to 41 per cent of total expenditures were devoted to food in different communities, from 14 to 36 per cent to clothing, depending upon the prevailing size of family in the group, (larger families allotting a much greater proportion of the total to clothing than smaller ones) from 6 to 19 per cent to house operation, from 2 to 9 per cent to furnishings and equipment, from 2 to 10 per cent to medical care, from 3 to 16 per cent to education, recreation, and community welfare, and from 6 to 19 per cent to miscellaneous items.

Farm families accustomed to a level of living which they cannot now procure, even at current retail prices, without spending much more money than their present incomes warrant, will probably not make, however, the same distribution of expenditures that would be made by families accustomed to very low cash incomes. Some of them will utilize barter in so far as it is practical to increase real incomes. Others will increase the purchasing power of their dollars by buying through cooperative purchasing associations. Reports to the Federal Farm Board indicate that the most pronounced increase in cooperative purchasing for the use of farm families has taken place in purchases of gasoline, lubricating oil and grease. In the last year there has been a decided increase in the number of cooperative marketing associations purchasing gasoline and lubricating oil for their members, as well as in the number of consumer cooperatives handling these items. Three cooperative purchasing organizations dealing in nothing but gasoline, oil, and grease reported business for 1930-31 ranging from \$600,000 to \$1,600,000.

The growing disparity between prices received by farmers for food-stuffs produced and prices paid for articles of food purchased at retail, has led farm families to increase their production of food for home use. Since 1929 prices of food materials purchased by farmers have declined 38 per cent, while prices received at the farm from the sale of grains have declined 62 per cent, meat animals 58 per cent, fruits and vegetables 46 per cent, dairy products 49 per cent, and poultry products 54 per cent. The specific adjustments in the proportion of the various types of food purchased and home-produced which may well be made by any individual family depend upon the type of farming, upon the relative cost of food when home produced and when purchased, and upon the possibility of the farm family assuming the task of preparing the raw materials for home consumption. For example,

many farmers who raise wheat and are near a small mill can have their own wheat ground or else exchange it for flour to advantage. If the toll for grinding is as low as one-eighth (the legal toll in Virginia and the usual toll some years ago when custom milling was more prevalent) a farmer can obtain one barrel of flour (196 pounds) for about five bushels of wheat if he takes no bran or shorts. At the United States average farm price in December five bushels of wheat would be worth only \$1.58. This compares with the United States average retail price of 3.0 cents per pound (\$5.98 per barrel) for flour in November and with a wholesale price of around \$3.00 per barrel for straight flour at principal milling centers during the same month. While perhaps most farmers cannot have their wheat ground for a toll as low as one-eighth, a large enough number are finding it worth while to have custom grinding done that the business of the small mills has increased greatly in the past two years. One barrel of flour, together with the other necessary ingredients is sufficient to make between 260 and 300 one-pound loaves of bread, which at the average of retail prices prevailing in the United States, would cost in the vicinity of \$18.00. These comparisons are indicative of the type of savings which many farmers are forced to make because of the very low returns which they can obtain for their labor in producing farm products and the relatively high costs of goods and services in retail markets.



Prior to 1929, prosperous farm families were purchasing from one-fourth to more than one-half of their food supply. About 30 per cent of their expenditures for food went for bread, flour, and cereals, about 18 per cent for vegetables and fruits, about 18 per cent for sugars and molasses, about 14 per cent for lean meat and fish, about 10 per cent for fats, and about 10 per cent for miscellaneous articles. Preliminary figures from the Division of Crop and Livestock Estimates indicate that in 1931 about 30 per cent more wheat was ground at home or exchanged at mills for flour than in 1929; over 45 per cent more apples were kept for home consumption; about 14 per cent more eggs; and about 5 per cent more milk. Farm gardens were larger and more productive. Farm slaughter of meat animals, especially of hogs was greatly increased. Reports indicate that in 1932 production of these items for home use was even greater. For instance larger gardens and increased home slaughter of cattle and hogs have been particularly marked. Meat clubs have been growing in number, a heavier canning and preserving program has been carried out, and bread baking, churning, cheese making and other home production activities have been revived. The trend toward self-sufficiency for the individual farm family will undoubtedly continue during the coming year.

Farm families are taking more interest than ever before in planning for the efficient production and conservation of an adequate yearly food supply. Plans published in various States for guiding home food production have been made on the basis of very liberal adequate diets, as many farm families have the resources for providing themselves with a generous varied food supply. It is, however, important to recognize that during the coming year many farm families will not have such resources. If a farm has specialized in nonfood crops or in a single commodity to the ex-



clusion of garden, poultry, dairying or livestock enterprises, the home production of an adequate diet is impossible, until fundamental changes are made in the organization of the farm production program. Until such adjustments can be made and where much of the food must be purchased, the economical but adequate dietaries recommended by the Bureau of Home Economics for use in urban relief work may well be made the basis for planning the farm family's food supply. It is also important to recognize that long-standing food-consumption habits are not quickly changed. There is much less difference between the per capita expenditures of low-income and high-income farm families for food, than for the other major items in the family budget.

Long-time planning is necessary to make appreciable changes in food-production practices. Aside from quick-growing vegetables, the production of the items which enter into a well-planned diet require considerable capital investment, and often several months must elapse before the food products are available for consumption. The year 1933 will undoubtedly see still more farm families mobilizing their resources according to a plan suited to their individual needs, to increase the home production of their food supply for the whole year. In many sections of the country this will entail greater emphasis on garden, orchard, dairy, poultry, and livestock enterprises than heretofore. It will also require a well-planned program to can, dry, store or otherwise preserve products for out-of-season periods.

Opportunities for increasing the home production of other consumption goods are more limited than those for increasing the home grown food supply. Home sewing has increased during the past year, and, on some farms where sheep are raised, skills and equipment little used for many years are being called upon to convert home-grown wool into clothing and

bed coverings. Soap making for family use has been increasing and will probably continue to do so. Farm-produced fuel is being used to an increasing extent; lumber produced on the farm wood lot is being used for repairs to the house and for furniture making.

All the evidence points to a continuance of and, in many instances, an extension of the live-at-home program in 1933. In as far as possible until their incomes increase farm families will have to depend on the development of their own resources for their family living.